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CIA knew Kremlin would try frame-up

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in Washington
& RANDELL PIERSON
in New York

FOLLOWING the ar-
rest of Soviet spy Gen-
nady Zakharov in
Queens last month,
the CIA cabled an ur-
gent warning to
American diplomats
in Moscow that the
Soviet KGB probably
would retaliate. The
Post has learned.

Exactly a week later,
Nicholas Daniloff, the
Moscow bureau chief
of U.S. News & World
Report, was framed
by the KGB on spy
charges.

Sources said the CIA
cable was dispatched
to the U.S. Embassy
in Washington, warn-
ing that Zakharov's
arrest without bail
was likely to provoke
a "strong reaction"
from the Soviet KGB.

As a result, American
diplomats were told to
keep a low profile.

The Post reported Mon-
day that the White
House was furious
over the way FBI and
Justice Dept. officials
in New York handled
Zakharov's case after
he was arrested in a
Queens subway sta-
tion on Aug. 23.

One administration of-
ficial said New York
law enforcement offi-
cials unwisely ang-
ered the Soviets by
holding Zakharov
without bail, and by
making "too much of
a big deal" out of his
arrest.

Instead, the official
said, the case of the
low-level Soviet spy
should have been
handled quietly in
keeping with tradi-
tional rules of the
spy game.

Secretary of State
George Schultz con-
firmed yesterday
that he had not been
consulted by New
York officials.

But he denied that
FBI agents and
Eastern District fed-
eral prosecutors in
Brooklyn had
botched the Zakha-
rov affair.

"I don't think there's
been any mishan-
dling," Schultz said.

"The point is that
Zakharov was
caught spying.

"He is a spy and he's
been charged, and we
have the evidence.
And so there's that."

"There's nothing wrong
with arresting a man
you catch spying."

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